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SUBJECT: MEDIA REACTION: CHINA POLICY, AFGHANISTAN, IRAN

Editorial Quotes

11. CHINA POLICY

"Issues for economic growth model"

The official English-language newspaper China Daily (10/21)(pg 8):
"China should look at the emerging global economic rebalancing in the context of an unprecedented world economic recession and expedite adjustment of its economic structure and transformation of its long-controversial growth model. China has its own understanding about the causes of the crisis but it also believes it unavoidable for the world economy to be rebalanced in the post-crisis era. China's misgivings toward Washington's 'crisis responsibility' are understandable given that the country's fast-growing and export-driven economy is likely to be most affected in the forthcoming global rebalancing campaign. The imbalance in the world economy has been used by the U.S. as an important excuse to force China into concessions on some of its macroeconomic and monetary policies. U.S. President Barack Obama's stance was crystal clear: the US will strive to develop itself into a producer from a consumer. In this context, China should not be over-optimistic about the U.S. and European economies turning better or get motivated to slow down its steps toward economic structural adjustment. Since its major trading partners also strive to become manufacturers, China should try to change its past excessive dependence on the mushrooming global trade and develop itself into a self-reliant and internally-driven economy. We have good reasons to believe the world's third largest economy will surely go through the ongoing global economic rebalancing and gain larger development if it can take hold of the chances produced by the change of the global economic order, expedite reform of some rigid and outdated political and economic institutions, optimize its currently unreasonable wealth distribution structure and tap domestic demand."

12. AFGHANISTAN

"China cannot remain aloof from the chaos in Afghanistan"

The official Communist Party international news publication Global Times (Huanqiu Shibao)(10/2)(pg 14): "As a country neighboring Afghanistan, China will definitely be influenced by the chaos there and thus will not remain aloof from it. China hopes the UN and other international organizations can play positive roles in Afghanistan. Depending solely on the War on Terror will not solve the Afghanistan issue. A comprehensive resolution should be implemented. First, a national reconciliation should be realized as early as possible to fulfill the political unification in Afghanistan since at present there are various sections existing who are adopting different policies of their own. China is willing to help Afghanistan's government to set up a real united government together with other neighboring countries. Second, cross-border transportation issues should be solved first by promoting economic construction and expanding economic exchanges. China has been providing economic assistance to the country all the time. Third,

China could help Afghanistan to realize political stability and economic development within the framework of Shanghai Cooperation Organization. China opposes the use of double standards in the War on Terror and advocates eliminating the root causes of terrorism by solving poverty and economic development issues in Afghanistan and its neighboring countries."

13. IRAN

"Three issues worth paying attention to after bomb attack in Iran"

The official intellectual publication Guangming Daily (Guangming Ribao)(10/21)(pg 8): "There are three issues worth looking at after the Iranian bomb blast. First, will there be another round of sectarian violence in Iran? Observers believe that following the attack the Revolutionary Guard will conduct a large-scale of clean-up, which will greatly intensify friction between the Shiites and the Sunnis. Plus, given the still ongoing conflict between the reform group and the conservatives, new chaos is likely to occur in Iran. Second, will there be a sharp deterioration in Iran-Pakistan relations? If Pakistan is unwilling to let Iranian security troops conduct certain military actions in Pakistan while Pakistan is busy cracking down on the Taliban and has no time to deal with this issue, Iran-Pakistan relations may become tense. Third, if the U.S., U.K. and other Western countries oppose Iran's requests, Iran may use the issue to urge these countries into concessions during the negotiation over the Iran nuclear issue. It will undoubtedly bring more changes to the Iran nuclear issue."

HUNTSMAN